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Ronald Ray Rewald, a Hawaii-based businessman, has filed a \$10 million defamation suit in San Francisco Superior Court against Time Inc.

He complained the publishing firm portrayed him in Time and Money magazines as a "'conman'" and his business as a "'flimflam firm.'"

The suit filed Friday claimed Rewald was defamed in an October 3, 1983 article in Time entitled "'Fantasy Island Aloha-Style, and a December 1983 article in Money called "'With Guile and Gall, This Man Gulled Hawaii.'"

Rewald said the articles falsely accused him of siphoning off a quarter million dollars from an investment scheme that convinced 400 "'Hawaiian plutocrats and VIPs,'" to pour "'\$13 million into his flimflam firm.'"

Both articles said Rewald pocketed investors' money, then strung them along with interest payments he got from money invested by newcomers to the deception, according to the court document.

Rewald claims he was working for the Central Intelligence Agency during the periods the article discusses but it does not explain what he did for the agency.

The suit also said the Money article called Rewald "'a smalltime cheat'" from Milwaukee and mistakenly reported he had "'snared at least two CIA men as investors.'"

In a related suit, a Napa Valley investor in Rewald's company, Baldwin, Rewald, Dillingham and Wong, Inc., filed a \$5 million suit against the CIA in February claiming he should have been told the investment firm was not backed by the government.

Robert W. Jinks, a general partner of Napa Properties, claimed he invested \$500,000 in the Honolulu firm on the basis of assurances of a 20 percent return because the company was part of an undercover CIA operation designed to infiltrate international banking operations.